



Jack O'Dwyer, Editor-in-Chief

# O'Dwyer's Newsletter

The Inside News of PR and Marketing Communications

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## INTERPUBLIC'S CMG REVENUE STALLS IN Q4

Interpublic's Constituency Management Group unit witnessed a 0.9 percent decline in total and organic revenue during 2016's fourth quarter, posting \$399 million for Q4 compared to \$402 million the year prior.

CMG, which includes PR agencies Golin, Weber Shandwick and DeVries, still managed to close the year on positive note, posting total revenue gains of 4 percent to \$1.5 billion for 2016, up from \$1.47 billion in 2015. Organic revenue was up 3.6 percent.



**Weber Shandwick** CEO Andy Polansky said PR firms across the CMG portfolio continued to outperform the market in 2016, with PR firms within IPG's CMG group posting organic growth in the mid-single-digit range in Q4 2016. He also noted that Weber Shandwick's digital, social media and content capabilities helped drive more than 30 percent of the agency's revenue last year.

Overall, IPG saw revenues of \$7.85 billion for the year, a 3.1 percent gain from 2015's \$7.61 billion, with organic revenue up 5 percent from the prior-year period. Fourth quarter revenue was \$2.26 billion, also up 3.1 percent from last year's fourth quarter, with organic revenue gains of 5.3 percent.

Full year net income was \$609 million in 2016, a major leap from 2015's \$455 million. Net income for the fourth quarter was \$318 million, up from \$260 million in 2015's Q4.

IPG chairman and CEO Michael Roth said IPG has targeted organic revenue growth between three and four percent for the upcoming year.

## OMNICOM PR REVENUES JUMP IN Q4

Omnicom posted strong 7.7% growth in its PR units during the fourth quarter of 2015 on revenue of \$358.9M.

Fourth quarter revenue across the ad/PR conglomerate rose 2.1% to top \$4.2B while net income climbed 5.6% to \$350.3M.

Executive VP and CFO Philip Angelasro noted Omnicom's PR business performed well across most markets and got a boost from some work related to the US election.



Advertising rose 4.6% to nearly \$2.4B, while its CRM operations were flat at 0.4% at \$1.2B as branding, field marketing and events slumped.

For the full year 2016, PR was up 2.8% to nearly \$1.4B, while advertising climbed 5.9% at nearly \$8.2B.

Omnicom's PR firms include **FleishmanHillard**, **Ketchum**, **Porter Novelli** and Mercury, among others.

## MOBILE MUST BE 'CUSTOMER OBSESSED'

On January 10, 2017, Google changed its policy regarding "intrusive" interstitials or "pop-up" ads on mobile websites. To discourage this negative effect on the web surfing experience, Google is now penalizing websites that employ ads that show up immediately when a user visits a mobile webpage with lower search rankings.

Digital marketers must instead use the "pop-ups" to target visitors only at key moments and avoid generic messages that distract the mobile user.

Mobile spend by digital marketers was up 69 percent year-over-year in 2016, according to **IgnitionOne's Q4 Digital Marketing Report**. The report also shows a 30 percent decline in tablet spend because of revised options that allow marketers to separate tablet from desktop, which was up 5 percent.

Mobile interactions in Q4 2016 grew by 25 percent while desktop decreased by 13 percent. Desktop still holds a slight lead though at 54 percent of all visitors.

"The idea of customer-obsessed marketing has reached a fever pitch, and we're seeing the data that proves it," said Will Margiloff, CEO of IgnitionOne. "Marketers are diving into mobile and focusing on per-



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## REVIVEHEALTH IS AOR FOR VUMC

**ReviveHealth** has been named integrated marketing agency of record for Vanderbilt University Medical Center (VUMC), and tapped to develop the brand strategy for Vanderbilt Health Affiliated Network, one of the largest physician-led networks in the country.

The Nashville-based agency had been working with Vanderbilt since 2012, helping the academic medical center with specific PR needs. Duties expanded in 2015 as VUMC sought to add a digital-first mindset to its marketing strategy.



Nearly three-quarters of consumers turned to the Internet first for health answers, according to Pew Research. Google reported in 2015 that one in 20 searches on the web is for a health-related topic.

Consumers are more invested than ever in their healthcare decisions, forcing hospital and health system

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## MOBILE MUST BE 'CUSTOMER OBSESSED'

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sonalization at every angle, while giants like Google are simultaneously sending a clear message with new policies: success means meeting the customer where they are. Increased spend across the board is proof that marketers are ready to fight for attention and results.”

Overall U.S. Google paid search spend was up 15 percent year-over-year for Q4 2016, due to a shift away from branded terms and toward more generic terms.

Q4 saw a continued increase in impressions, up 28 percent, which is likely due to an additional ad space Google created on both mobile phone and tablet searches.

IgnitionOne has tracked more than 140 billion impressions and over 5 billion clicks on Google and Yahoo!/Bing search networks, Google AdEx, the IgnitionOne DSP and other networks from January 1, 2006 through December 15, 2016. Its quarterly report on digital marketing trends is the longest continuously running one of its kind.

## REVIVEHEALTH IS AOR FOR VUMC

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marketers to tackle many different marketing communications disciplines.

“Vanderbilt is rapidly innovating its approach to healthcare delivery, and we needed an agency partner that not only understands our clinical and business strategies, but can help us with creative tools and tactics to engage consumers across all platforms,” said VUMC chief marketing officer Jill Austin.

**Weber Shandwick acquired ReviveHealth** at the beginning of 2016, joining their science and pharma expertise with ReviveHealth’s insight into the B2B world of healthcare systems and services.

ReviveHealth ranks as the **seventh largest healthcare agency** in the country by O’Dwyer’s, reporting 2015 healthcare net fees of \$10 million.

“We have diversified our capabilities and put purpose at the core to be able to help our clients navigate the advertising and digital landscape, and evolve and grow their businesses using the most innovative platforms and tools across all channels and capabilities,” said Brandon Edwards, chief executive officer of ReviveHealth.

## IRAQ GETS LOBBYING HELP FOR TRAVEL BAN

Iraq’s embassy in Washington, D.C. has hired national law firm Brownstein Hyatt Farber Schreck to lobby on behalf of the Middle Eastern nation to policy makers on Capitol Hill. BHFS is charged with communicating Iraq-related issues including immigration, defense, economics and overall foreign policy with congressional leadership, administration officials and senior agency staff in Washington, according to Foreign Agents Registration Act documents filed on January 31.

Iraq is one of seven nations — along with Iran, Syria, Sudan, Libya, Yemen and Somalia — targeted by President Trump’s January 27 executive order.

BHFS is currently in the process of negotiating a written contract for the work. The pact was signed by Iraq’s ambassador to the U.S., H.E. Fared Yasseen.

## PROFESSIONAL DEVELOPMENT

### DONALD TRUMP AND THE END OF PR

By Fraser P. Seitel, comms. consultant, author and teacher for 40 years.



Depending on who you talk to, President Donald Trump could mean the end of everything from illegal immigration to the environment to the Mexican peso to the proper use of grammar as we know it.

There’s one more item that must be added to the list: the practice of public relations.

Positive PR begins with proper performance and good behavior and communicating that reality to the public. In other words, “doing good and getting caught.”

But today, with the onslaught of Typhoon Trump, the practice of PR may be doomed. In less than two weeks in the saddle, the new American President had already violated a half-dozen of the cardinal principles of public relations.

#### **PR Principle #1: Never lie**

The cardinal rule of the practice of public relations is to never, ever lie. Your most important asset is your reputation. And if you lie, you lose it.

In PR, where practitioners regularly explain to reporters and bloggers, what their clients do and why they do it, lying is the quickest way to lose the trust of those from whom you are attempting to gain “third party endorsement.”

President Trump, in his very first week, insisted that his inauguration drew more viewers than any in history (it didn’t) and also that despite the official results, more legitimate voters voted for him than for his opponent. “In addition to winning the Electoral College in a landslide, I won the popular vote if you deduct the millions of people who voted illegally,” Trump said.

In response, even the traditionally circumspect *New York Times* headlined its front-page article, “Trump Repeats Lie About Popular Vote in Meeting with Lawmakers.”

#### **PR Principle #2: Always check your facts**

Journalists trust people who supply them with accurate facts. They build long term relationships with public relations professionals who feed them the straight story. And they don’t trust sources who, purposely or not, regularly get their facts wrong.

President Trump seems to have a problem with “facts,” whether tweeting or speaking. For example, the difficult relations with America’s southern neighbor began when the President-to-be claimed: “Mexico is sending people that have lots of problems, and they’re bringing those problems with us. They’re bringing drugs. They’re bringing crime. They’re rapists. And some, I assume, are good people.”

The facts are a bit different, with the most recent number of immigrant sex offenders equaling two percent, with Latinos accounting for nine percent of U.S. sexual assaults; whites accounted for 71 percent.

#### **PR Principle #3: Never attack the media**

In the days when print newspapers and magazines ruled the communications landscape, the rule in public relations was, “Never get in a shouting match with a journalist who buys ink by the barrel.” The same holds true in the Age of the Internet and Social Media. Savvy newsmakers learn to slough off the slings and arrows hurled at reporters

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## NEWS OF PR FIRMS

### RASKY PARTNERS DEBUTS

Rasky Baerlein Strategic Communications, Inc. will now operate as **Rasky Partners** after the departure of two of its partners, Joe Baerlein and Ann Carter.

Current partners George Cronin and Justine Griffin remain as managing directors. Cronin will continue to run the public affairs side of the firm and Griffin will head up communications. Senior VP David Tamasi has been promoted to managing director of Rasky's growing D.C. practice.

"Joe Baerlein and Ann Carter have been integral parts of the success and prominence that we enjoy today and I am confident we will continue to work together as they pursue their own endeavors. As for the rest of us, we look forward to continuing to build on our strong platform and grow with our clients as we always have," said CEO Larry Rasky. "The senior management team and all of our account teams will remain in place. I firmly believe we have the best people in the business."



Larry Rasky

Rasky Partners, one of the largest independent PR and public affairs agencies in the U.S., has approximately fifty staff between its two offices in Boston and D.C. A move to bigger space in the nation's capital is planned for early March.

## MEDIA NEWS

### COFFEE WITH AMER. GETS NAT'L SYNDICATION

Consumer and lifestyle show Coffee With America has announced a national syndication partnership with Telco Productions, Inc., which has already added 19 new stations in top markets to the show's current market distribution.



The show, which filled the void left by the disappearance of the Daily Buzz in spring 2015, is hosted weekly by Ebony Steele and Sasha Rionda from Atlanta Broadcast Studio & Productions.

Steele is best known for her work on FOX TV's Dish Nation! and radio's The Rickey Smiley Morning Show. She has been named one of Radio Facts' Top 30 Women in Media alongside Oprah, Wendy Williams and Soledad O'Brien.

Rionda is a multilingual correspondent. She is most recognized for hosting CNN International's "The Music Room." Rionda has interviewed top recording artists Britney Spears, Usher, Moby, and numerous others.

Among the new CWA affiliates are KDOC (IND) Los Angeles, WWSB (ABC) Tampa, and WFLX (FOX) West Palm Beach, joining an already strong Coffee With America lineup that includes the YouToo America Network, WAGA (FOX) Atlanta and WOIL (Birmingham and the Alabama News Network).

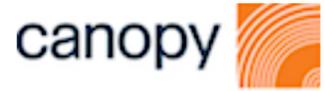
The YouToo America Network airs in 180 markets and on national cable channels across the country. WAGA, in Atlanta (DMA 9), is one of the top FOX affiliates in the nation.

Telco distributes more than 40 programs, including Hollywood Uncut, The Hollywood News Report and Designing Spaces.

## NEW ACCOUNTS

### New York Area

**North 6th Agency** has been named PR agency of record for **Canopy**, a venture capital firm that has helped raise over \$15 million for companies in the cannabis sector. Canopy's portfolio includes BDS Analytics, Front Range Biosciences, Grownetics, PenSimple, StashLogix, The Peak Beyond, Vapor Slide, and Wurk. N6A has been tasked with increasing media visibility for Canopy and founders Patrick Rea and Micah Tapman.



**Feintuch Communications** has been named PR agency of record for lending platform **MPOWER Financing**. MPOWER provides affordable student loans to international and underserved undergraduate and graduate students that don't fit the traditional credit criteria of banks or lenders. Feintuch will work to share MPOWER's story with the investment community in a bid to attract additional equity.



### East

**Allison+Partners** has been named the agency of record for home and businesses security giant **ADT**. The MDC Partners unit will support national communications efforts around the company's smart home security platform, ADT Canopy, as well as marketing and communications efforts for its Pulse Home Automation Systems and the company's forays into the Internet of Things.

## PEOPLE

### Joined

**Tim Race** to **FleishmanHillard**, New York, as a senior level strategist. The longtime business editor for *The New York Times* will now help design and shape FH's editorial approach for clients, including the structure, timing and sequence of stories across channels. He'll be stationed in the Omnicom unit's New York office.



Tim Race

### Promoted

**Martin Bidegaray** to director, insights and analysis practice at **JeffreyGroup**, Miami. The data-driven methodologies expert has been with the agency since 2014, working with their PubTracker® media monitoring and analysis system. Bidegaray is based in the agency's headquarters in Miami and leads a team across offices in Latin America.



Martin Bidegaray

**Matt Kucharski** to president of **PadillaCRT**, Minneapolis. Kucharski succeeds Mark Raper, who had held the president role since 2013. Raper now carries the new title of chief counsel officer. As president, Kucharski will lead PadillaCRT's B2B and B2C practices, as well as its health practice.



Matt Kucharski

## DONALD TRUMP AND THE END OF PR

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and bloggers. They don't let media criticism get under their skin. The new President, of course, isn't most people.

After the Times criticized his claims about winning the popular vote, Trump tweeted: "The failing @nytimes has been wrong about me from the very beginning. Said I would lose the primaries, then the general election. Fake News!"

This, despite the fact Trump had earlier sat down with the paper's editors and agreed to "bury the hatchet."

### **PR Principle #4: Don't bad mouth your adversaries**

What you say behind closed doors is your business. But what you say for attribution can get you in trouble. So, when asked about a competitor or opponent you just don't like, it's always better to demur, i.e. Discretion is the better part of valor. But Donald Trump doesn't know the definition of "discretion."

When John Lewis, the 76-year-old civil right icon who once had his skull cracked open defending the rights of black people, suggested Trump was an "illegitimate President," the President fired back with guns blazing: "Congressman John Lewis should spend more time on fixing and helping his district, which is in horrible shape and falling apart (not to mention crime infested) rather than falsely complaining about the election results. All talk, talk, talk — no action or results. Sad!"

Even Trump's most devoted advisers must have cringed at that one.

### **PR Principle #5: Always keep your word**

The quickest way to lose your reputation is to promise something and then fail to follow through. When President Obama drew a "line in the sand," threatening to retaliate against Syrian dictator Bashar al-Assad, his credibility suffered when he never acted on his pledge.

So smart leaders won't promise something unless they know they can back it up. And then there's Donald Trump. While virtually every U.S. presidential candidate shares his tax returns with voters, Trump steadfastly refused. "I'm not releasing the tax returns because, as you know, they're under audit. So I can't release them till that's done."

A week ago the Administration announced that the President, on second thought, would be releasing nothing.

### **PR Principle #6: Always take the high road**

Finally, public relations advisors uniformly counsel clients to take the "high road" in any public debate. Leaders should be admired, looked up to. And that means that they must always act with decorum and quality and refinement.

Here's the "refinement" of America's new President describing his most vocal critic, the actress Rosie O'Donnell: "I said very tough things to her and I think everyone would agree that she deserves it and nobody feels sorry for her ... Rosie's a loser, a real loser. I look forward to taking lots of money from my nice fat little Rosie."

All of which suggests that if President Trump proceeds on his current course — and there's no reason to believe he'll change any time soon — the trusted, public relations advisor may be destined to go the way of the floppy disc.

## PR OPINION

**PRSA VP of Education Jeneen Garcia, with the Society 25 years, was among those at the initial event of Black PR History Month Feb. 9 at Edelman's offices.**

Oddly, we had never met or talked to her.

Garcia, also **executive director of the Society's PR Student Society of America**, is listened to by its 11,000 members.

We have never talked to her because she has been kept under wraps by the Society's boycott against the O'Dwyer Co. We have plenty of educational materials for the students including **PR's biggest physical library**; 48 years of newsletters devoted to PR; 30 years of a monthly magazine, and 16 years of website stories, databases and commentaries.

Emails to student leaders are never answered.

It was beyond ironic that this meeting should take place at Edelman since founder Dan Edelman was a staunch opponent of the PRSA boycott. He told this reporter many times to fight it.

It has been instituted since 1999 by the "accredited" members who have controlled the board since the late 1970s, holding 16 of the 17 seats in 2017. Attempts were made in 1999, 2006 and 2010 to oust the APRs but they failed.

### **Dan Edelman Denounced Boycott**

Dan Edelman in 1999 denounced PRSA when the board headed by Sam Waltz declared a formal boycott against the O'Dwyer Co., saying our reporters were taking up too much staff time. Waltz publicized the boycott in PR Week. The Waltz board did not want to discuss the \$150,000 PRSA Foundation/Rockefeller Foundation study of credible sources of information that found "PR spokesperson" to rank 43rd on list of 45. No PRSA publication ever carried the list.

Edelman noted he was the 1999 recipient of the Gold Anvil of PRSA and asked the Society to rescind its O'Dwyer boycott. "It's contrary to PR practice to withhold information from a reporter," he told COO Ray Gaulke. The Clinton White House, he said, "had difficult relations with the press during the impeachment process but no reporter was ever barred." Dan urged Gaulke to meet with O'Dwyer reporters. No such meeting ever took place.

Gaulke was blatantly anti-O'Dwyer. At his first Assembly meeting in 1994, he came down from stage to the New York delegation where this reporter was sitting (a practice of mine for 20 years), took me by the elbow, and marched me to the back of the room while the entire Assembly watched.

Steve Pisiniski, 2000 PRSA president, rescinded the O'Dwyer boycott in early 2000. He let us sit in the first row of the Assembly. His Strategic Planning Committee in 1999 urged removal of APR from the bylaws. The board rejected the proposal.

However, something far worse than the boycott started taking place with the arrival of Bill Murray as head of staff in 2007. All-out attacks on this reporter became the norm, many of them carried out by VP-PR Arthur Yann.

— *Jack O'Dwyer*